

# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

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September 24, 2007

TO: Internal File

THRU: Wayne Western, Environmental Scientist III *W HW*

FROM: Priscilla Burton, CPSSc, Environmental Scientist III *PUB by an*

RE: 680-Acre IBC, Canyon Fuel Company, Skyline Mine, C/007/0005, Task #2813

### SUMMARY:

On June 20, 2007, the Division received an application for the Skyline Mine to expand the permit area by 680 acres eastward in T 13 S, R 6 E, Sec 1 and Sec 12 for development mining only. Surface ownership is the Allred Family Trust and Koula Marakis Trust. No surface disturbance is expected as a result of development mining. The coal leases originated from Carbon County and C & B Coal.

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**TECHNICAL ANALYSIS:**

**GENERAL CONTENTS**

**IDENTIFICATION OF INTERESTS**

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

**Analysis:**

General Chapter 1 volume contains information on corporate ownership for Canyon Fuel Company's affiliated Utah mines: SUFCO Mine, Skyline Mine, Soldier Canyon Mine, Banning Loadout, and Dugout Canyon Mines. (Section 111 of the MRP).

Section 112.400 of the MRP and Table 1-1 and Figure 1-1 (A – D) of General Chapter 1 provide a listing of affiliated coal mining operations under the control of Canyon Fuel Co., LLC. The listing includes the affiliated Utah mines itemized in Sec 111 and the successfully reclaimed bond release sites: Gordon Creek No. 2, 7, and 8, Gordon Creek No. 3 and 6, and Huntington Canyon No. 4 mine.

Figure 1-1 (A-D) also provides an organizational chart showing corporate ownership and control of Canyon Fuel Co., LLC by Arch Coal, Inc. The list of officers and directors for Canyon Fuel Co., LLC and its four corporate owners Arch Western Bituminous Group, LLC; Arch Western Resources, LLC; Arch Western Acquisitions Corp; and Arch Coal, Inc.) is found in Appendix 1-1. App. 1-1 was last updated in February 2007. Changes in officers are clearly noted with beginning and ending dates and are attested to by notarized statements from each corporate entity.

**Findings:**

The information provided meets the requirements of the Regulations.

**VIOLATION INFORMATION**

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

**Analysis:**

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Section 113 of the MRP indicates that a current listing of violation information is provided in the General Chapter 1 volume for Utah affiliated mines. The most current list dated December 2004 – 2006 is found in Table 1-2.

**Findings:**

The information provided meets the requirements of the Regulations.

**RIGHT OF ENTRY**

Regulatory Reference: 30 CFR 778.15; R645-301-114

**Analysis:**

The 1982 Waste Rock lease agreement between the Thelonis Trust and Canyon Fuel Company is included in the MRP Section 3.2, Exhibit A. An amendment to this agreement, dated August 2006 and March 2007 allows the Permittee right of entry to 37.48 acres.

The lease information is found in Section 114 and Appendix 118A of the application. The coal leasees found in Appendix 118A provide the rights to mine the coal in T 13 S, R 6 E, as follows:

Section 1

C & B Energy, LLC leased W1/2SE1/4  
Carbon County leased W1/2

Section 12

C & B Energy, LLC leased NW1/4SW1/4, SW1/4NW1/4, NE1/4NW1/4  
Carbon County leased NW1/4NW1/4; SW1/4SW1/4

It appears that the text on pages 1-30, 1-32 1-39 acknowledges only the C & B lease. As noted in the deficiencies written under **R645-301-521**, and again under **R645-301-521.131**, the Permittee must verify the stated location of the IBC in the text (pages 1-30, 1-32 1-39, and 3-6). If necessary, the Permittee must send correction notices to those entities and landowners identified in the correspondence of Appendix 118A.

**Findings:**

Information provided may not meet the requirements for right of entry, prior to approval, please provide the following information in accordance with the following:

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**R645-301-114.100 and R645-301-525.700**, As noted in the deficiencies written under **R645-301-521**, and again under **R645-301-521.131**, the Permittee must verify the stated the location of the IBC in the text (pages 1-30, 1-32 1-39, 3-6), and if necessary send out correction notices to those entities who are identified in the correspondence of Appendix 118A.

**R645-301-114.200**, Item 8 of the Carbon County lease document provided in Appendix 118A indicates that surface landowner consent must be obtained separately for right of entry. Please provide a memorandum of agreement summarizing the confidential agreements with the Allred Family Trust and the Koula Marakis Trust, which are alluded to in the cover letter dated June 15, 2007 addressed to Pam Grubaugh-Littig.

## **LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS**

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

### **Analysis:**

The application does not change the status of unsuitability claims for the coal mining and reclamation operation.

### **Findings:**

The available information meets the requirements of the Regulations.

## **PERMIT TERM**

Regulatory References: 30 CFR 778.17; R645-301-116.

### **Analysis:**

This amendment does not change the permit renewal dates. The total disturbed acreage is 84.25 acres.

### **Findings:**

The information available meets the requirements of the Regulations.

## **PUBLIC NOTICE AND COMMENT**

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

### **Analysis:**

Certificates of Insurance are located in the General Chapter 1 Volume, App. 1-2.

This amendment is not considered a significant revision and therefore, no public notice is required.

### **Findings:**

The information presented meets the requirements of the Regulations.

## **ENVIRONMENTAL RESOURCE INFORMATION**

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

## **SOILS RESOURCE INFORMATION**

Regulatory Reference: 30 CFR 783.21; 30 CFR 817.22; 30 CFR 817.200(c); 30 CFR 823; R645-301-220; R645-301-411.

### **Analysis:**

There will be no surface disturbance associated with this incidental boundary change. The monitoring of riparian areas was conducted, as a requirement of the North Lease development and extraction approvals. This information is found in the Annual Reports.

### **Findings:**

The Permittee has complied with the Environmental Soil Resource requirements of the Regulations.

## **ALLUVIAL VALLEY FLOORS**

Regulatory Reference: 30 CFR 785.19; 30 CFR 822; R645-302-320.

### **Analysis:**

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### **Alluvial Valley Floor Determination**

Pleasant Valley was determined to be an Alluvial Valley Floor in 1984. Dwg 2.3.4-2 shows the potentiometric surface between 8,000 and 8,100 ft. in the location of Winter Quarters, however the water level contours do not extend past the permit area boundary. The same drawing shows stock ponds between winter quarters and green canyons and at the at a draw leading to Woods Canyon. The drawing shows springs emanating along the road at approximately 7,760 ft elevation east of Woods, Winter Quarters and Green Canyons. Mud Creek in Pleasant Valley is also at an elevation of 7,600 ft in this location.

#### **Findings:**

The information provided does not meet the requirements of the Regulations for Alluvial Valley Floor. In accordance with:

**R645-302-321.200 *et seq.***, Provide information as required by R645-302-321.210 through 321.260 in the area adjacent to the IBC, such that the Division may make a finding on the existence of an alluvial valley floor in Winter Quarters, Woods and Green Canyons.

## **OPERATION PLAN**

### **AIR POLLUTION CONTROL PLAN**

Regulatory Reference: 30 CFR 784.26, 817.95; R645-301-244, -301-420.

#### **Analysis:**

No change is required in the existing air quality order.

#### **Findings**

The Division is unable to check the existing AO at the Price Field Office as all of our MRP volumes are in boxes. It is assumed that the information on file is adequate.

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**RECOMMENDATIONS:**

The Division should not approve this application until all deficiencies listed above are resolved.

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